

STAND. COM. REP. NO.

3619

Honolulu, Hawaii

JUN 25 2020

RE: H.B. No. 2366
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred H.B. No. 2366 entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal the misdemeanor penalty for failing to obtain a transient accommodations tax registration identification number and replace it with a monetary fine;
- (2) Apply personal liability for certain controlling officers;
- (3) Replace the term "operator or plan manager" with "person" or "taxpayer";
- (4) Broaden the definition of "operator"; and
- (5) Repeal references to filing of returns and remittance of payments to specific taxation districts.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.



Your Committee finds that many provisions in the transient accommodations tax law are outdated and must be updated to ensure the proper administration of the transient accommodations tax. This measure addresses discrepancies in the transient accommodations tax law due to outdated law, conforms the law to recent changes, and clarifies other provisions to ease administration for the Department of Taxation.

Your Committee has amended this measure by:

- (1) Specifying that the definition of "gross rental" or "gross rental proceeds" shall not be construed to include the fees earned by a hotel, hotel-condominium, or condominium-hotel acting as the managing or rental agent for an operator or owner;
- (2) Exempting a hotel, hotel-condominium, or condominium-hotel, regardless if it is a transient accommodations broker, travel agency, and tour packager or not, that is acting as a managing or rental agent for an operator or owner from transient accommodation tax certificate of registration requirements; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2366, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,




GLENN WAKAI, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2316	EET, WAM/JDC	6/22/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
INOUE, Lorraine R.				✓
KEOHOKALOLE, Jarrett				✓
FEVELLA, Kurt	✓			
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes